



DATE: November 15, 2023

TO: Amy J. Malm
Mark McNabb

FROM: Christopher Martin

SUBJECT: The Proposed Merger of Dupont Mutual Insurance Company with and into Maple Valley Mutual Insurance Company

The purpose of this memo is to summarize the results of OCI's analysis with respect to the above-referenced filing performed in accordance with the competitive standard criterion set-forth in ch. 612, Wisconsin Statutes and Ins. 40.02 Wis. Adm. Code.

Form A Filing Contact(s)

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Exhibit(s)

<u>Exhibit:</u>	<u>Description:</u>
Ex. 1	A certified resolution of the MVMIC Board of Directors approving the Merger
Ex. 2	A certified resolution of the DMIC Board of Directors approving the Merger and establishing a tentative date for the special meeting of policyholders
Ex. 3	The executed agreement and plan of merger, including the following exhibits:
Ex. 3a	The current articles of incorporation of MVMIC which will be the articles of incorporation of the surviving entity
Ex. 3b	The current bylaws of MVMIC which will be the bylaws of the surviving entity
Ex. 3c	The form of Certificate of Assumption which MVMIC proposes to send to all DMIC policyholders after the effective time of the merger
Ex. 3d	A listing of directors and officers of the surviving entity
Ex. 4	The following MVMIC related documents:
Ex. 5a	The most recent year end annual statement for MVMIC
Ex. 5b	The most recent quarterly unaudited statement for MVMIC
Ex. 6	The following DMIC related documents

- Ex. 6a The most recent year end annual statement for DMIC
- Ex. 6b The most recent monthly unaudited financial statements for DMIC
- Ex. 6c A proposed notice of special policyholder meeting to be sent to the DMIC policyholders
- Ex. 6d A proposed summary of the Merger to be sent to DMIC policyholders with the Notice of Special Policyholder Meeting
- Ex. 6e The proposed policyholder resolution ballots to be presented in person at the special meeting and to the policyholders via mail pursuant to Wis. Stat. 612.12(a)(c)
- Ex. 6f The proposed report of policyholder votes to be submitted to the OCI following the special meeting

Executive Summary

On November 10, 2023, Dupont Mutual Insurance Company (DMIC), a 612 town mutual insurer, filed a statement on behalf of the Applicants. DMIC along with Maple Valley Mutual Insurance Company (MVMIC), a 611 mutual insurer, intend that DMIC will merge with and into MVMIC. After the merger, in accordance with the agreement and plan of merger, DMIC will cease to exist, and the surviving entity would be MVMIC.

Identity and Background of the Domestic Insurers

Identity of the Insurers:

Dupont Mutual Insurance Company

304 N Rosera Street
PO Box 59
Lena, WI 54139

Maple Valley Mutual Insurance Company

104 S Main Street
PO Box 175
Marion, WI 54950

Background of the Insurers:

Dupont Mutual Insurance Company

DMIC is a Wisconsin domestic town mutual insurance company and was incorporated on 07/24/1883. The company is licensed to write Property and Nonproperty insurance and is currently authorized to do business in Oconto, Oneida, Outagamie, Portage, Shawano, Waupaca, Waushara, Winnebago, Menominee, Lincoln, Marinette, Langlade, Marathon, Forest, Brown, and Calumet Counties.

Maple Valley Mutual Insurance Company

MVMIC is a Wisconsin domestic Ch. 611 mutual insurance company and was incorporated on 05/23/1891. The company is licensed to write aircraft, automobile, fire, inland marine and other property insurance, and liability and incidental medical expense insurance (other than automobile) insurance business in all counties.

Proposed Executive Officers and Directors of MVMIC:

<u>Name</u>	<u>Title</u>	<u>Term Expires:</u>
Adam Dubois	Director	2026
Chad Schuettpelz	Director, President, Treasurer	2025
Dana Koutnik	Director	2025
Dale Mohr	Director	2026
Daun Magnin	Director, Chairman of the Board	2024
James Kugel	Director, Vice Chairman, Secretary	2026
Linda Sinkula	Director	2024
Michael Alsteen	Director	2025

Nature, Source, and Consideration

Pursuant to the plans of merger, filed between DMIC and MVMIC, DMIC will be merged into MVMIC, with the surviving entity being MVMIC. Subject to the appropriate approvals and a vote held by the members of the DMIC, the effective date of the transaction is expected to be January 1, 2024.

The estimated expenses related to the merger of DMIC and MVMIC are approximately \$20,000. In the event that the merger is unsuccessful, the two insurers will split the cost equally. No consideration will be transferred to any party as part of this merger.

The Applicant's Future Plans

Besides combining operations and combining assets and liabilities under one structure, the future plans of the surviving entity, MVMIC, will offer all current employees of DMIC employment with similar roles and salaries.

After the closing date, MVMIC will continue to maintain operations at the current DMIC location until the board determines that it is no longer necessary.

Articles and Bylaws of the surviving corporation will be those as provided by MVMIC in Exhibit A and Exhibit B to the merger agreement.

The s. 612.22 Wis. Stats. Standard

Section 612.22 Wis. Stats. incorporates the information gathering requirements of s. 612.02(4) (the application requirements for a certificate of authority) while directing the Commissioner to answer three broad questions contained in s. 612.22(3).

1. Is the Plan contrary to the law; or,
2. That the surviving or new corporation would not satisfy the requires for a certificate of authority under s. 612.02 (6); or
3. That the plan would be contrary to the interest of the insureds or the public.

Conclusion

After reviewing the information provided by the Applicants, the OCI believes that approving this merger is in the best interest of the policyholders of DMIC and MVMIC. It is the OCI's opinion that the plan cannot be said to be contrary to the law because it provides the necessary information required by statute, the surviving entity would be able to satisfy the requirement for a certificate of authority, and the plan would not be contrary to the interest of the insureds or the public. Therefore, the transaction should be approved.

After the transaction closes the surviving entity, MVMIC, will continue to be authorized in all counties throughout the state.